

To: The Honorable Members of the City Council, Hayward CA

Subject: Alternative Cost Analysis of Ending the Hayward Red Light Camera Program

April 16, 2013

Councilmembers,

I thank you for the opportunity to provide this additional information regarding the cost analysis of ending the City of Hayward's Red Light Camera Program.

I have reviewed the financial analysis of the program contained in the staff report for today's City Council Meeting as well as the financial information contained in the previous staff report of March 5th on this issue. I would like to point out a number of items you may wish to consider prior to determining the date on which you will end the Red Light Camera Program.

Community Service Officer Salary

The staff report provides various options for either maintaining or terminating the Community Service Officer positions. Obviously, if the positions are terminated, then the cost of those positions immediately ends. Likewise, if the Community Service Officers are reassigned, their salaries can no longer be considered as a cost of the Red Light Camera Program. However, the staff report assigns the continuing cost of those positions as a cost of ending Red Light Camera Program. From an accounting standpoint, this is incorrect as those Officers will presumably be performing other valuable functions for the city. While continuing those positions would be a cost to the city, that is a wholly separate issue from the cost of ending the Red Light Camera Program.

Monthly Costs of the Red Light Camera Program

In the various options presented for ending the Red Light Camera Program, the staff report assumes no net monthly cost of the program. However, according to the previous staff report of March 5th, the city is losing money on the program each month. Table 6 on page 10 of that report shows a net loss of \$90,534 for some portion of FY 2013. The report is unclear as to how much of the fiscal year is included in the analysis, but by using other figures in the table, we should be able to obtain an estimate. By dividing the \$595,617 in Operating Costs listed under the FY 2013 column by the \$ 962,976 annual Operating Costs listed under the FY 2011 and 2012 columns, we obtain a result of 62% or approximately 7.5 months. Dividing the \$90,534 net loss listed under FY 2013 by 7.5 months yields a net monthly loss of approximately \$12,000 per month.

Therefore, when determining the relative costs of terminating the Red Light Camera Program under the various scenarios shown in Table 2 on page 5 of the current staff report, this monthly loss must be calculated in.

The city is being presented with options for terminating the Red Light Camera Program anywhere between May 1st and July 1st. According to Table 2, if the city chooses to terminate the program prior to July 1st there

is an additional cost of approximately \$9,150 for each month of termination in advance of the July 1st date. However, as discussed above, the city is losing approximately \$12,000 each month the program continues to run. Therefore, the most cost effective decision is for the city to terminate the program as soon as possible on May 1st.

I hope this additional information is helpful in your decision making process.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me.

Sincerely,

Jay Beeber
Executive Director - Safer Streets L.A.
City of Los Angeles Pedestrian Advisory Committee
505-500-4790